

BRAND PERFORMANCE REVIEW

BRAND NAME: Merit

MONTH: September, 1989

VOLUME & SHARE

	<u>Volume (Calendar Adj.)</u>					<u>Market Share (%)</u>	
	<u>Actual</u> (mil)	<u>Vs.</u> <u>3rd Rev.</u> (mil)	<u>Vs '88</u> (mil)	<u>Vs.</u> <u>3rd Rev.</u> (%)	<u>Vs '88</u> (%)	<u>Actual</u>	<u>Vs '88</u>
Month	1,962	+37	+218	+1.9	+19.5	4.20	+1.15
Latest 3 Months	4,808	(70)	+30	(1.4)	+1.9	4.18	+0.52
Year-to- date	14,644	(72)	(569)	(0.5)	(3.3)	3.92	+0.10
Latest 12 Mos.	20,812	NA	(584)	NA	(2.1)	3.91	+0.09

Volume

Merit's volume for September, 1989 was 1.962 billion units, which is 19.5% above YAG. Merit's strong performance is the result of the Brand's participation in the Fall 1989 Inventory Maintenance Program (vs. only Marlboro's participation in the 1988 program.)

During the latest three months, Merit's volume declined only 1.4% (or 70 million units) versus the comparable YAG three month period. Within the franchise, Merit Ultra Lights volume increased 246 million units or +15% vs. YAG. This strong performance can be attributed to Ultra Lights third quarter participation in the Masters Program (in addition to the Fall Maintenance Program). Year-to-date and latest twelve months volumes declined -3.3% and -2.1% respectively. These declines are more favorable than the forecasted year-end volume decline which is -4.7%.

Share

Merit's share was positive in all four time frames, a direct result of the Fall Inventory Maintenance Program and our third quarter participation in the Masters Program.

Activity Update

In September, Merit had a Contract IV and Set/Sell 2 position nationally and completed the final month of participation in the Masters In Distribution Program.

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